quarantine period prior to establishment of the 7-day quarantine, the savings in charges by removing the 7-day quarantine requirement will be between \$26 and \$61 per head (\$35 minus \$9, and \$70 minus \$9).

With the combined savings of reduced user fees and other quarantine charges, the removal of the VEE quarantine requirements will reduce importers' costs by an estimated \$36 to \$71 per head. Based on the average 1993 price of approximately \$310 per head for horses imported from Mexico, these reduced costs will represent a savings of between 11 and 23 percent of the value of each horse.

Executive Order 12778

This rule has been reviewed under Executive Order 12778, Civil Justice Reform. This rule: (1) Preempts all State and local laws and regulations that are inconsistent with this rule; (2) has no retroactive effect; and (3) does not require administrative proceedings before parties may file suit in court challenging this rule.

Paperwork Reduction Act

This document contains no information collection or recordkeeping requirements under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*).

List of Subjects in 9 CFR Part 92

Animal disease, Imports, Livestock, Poultry and poultry products, Quarantine, Reporting and recordkeeping requirements.

Accordingly, 9 CFR part 92 is amended as follows:

PART 92—IMPORTATION OF CERTAIN ANIMALS AND POULTRY AND CERTAIN ANIMAL AND POULTRY PRODUCTS; INSPECTION AND OTHER REQUIREMENTS FOR CERTAIN MEANS OF CONVEYANCE AND SHIPPING CONTAINERS THEREON

1. The authority citation for part 92 continues to read as follows:

Authority: 7 U.S.C. 1622; 19 U.S.C. 1306; 21 U.S.C. 102–105, 111, 114a, 134a, 134b, 134c, 134d, 134f, 135, 136, and 136a; 31 U.S.C. 9701; 7 CFR 2.17, 2.51, 371.2(d).

§ 92.308 [Amended]

2. In § 92.308, paragraph (a)(1) is amended by removing the reference "§ 92.317" and adding in its place the reference "§§ 92.317 and 92.324".

§ 92.324 [Amended]

3. In § 92.324, the first sentence is amended by removing the words ", for not less than 7 days and" and by removing the words "approved by the

Administrator and constructed so as to prevent the entry of mosquitoes and other hematophagous insects".

§ 92.326 [Amended]

4. In § 92.326, the first sentence is amended by removing the reference "92.323, and 92.324" and adding in its place the reference "and 92.323".

Done in Washington, DC, this 20th day of January 1995.

Terry L. Medley,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 95–1976 Filed 1–25–95; 8:45 am] BILLING CODE 3410–34–P–M

FEDERAL RESERVE SYSTEM

12 CFR Part 230

[Regulation DD; Docket No. R-0836]

Truth in Savings

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Interim rule.

SUMMARY: The Board has adopted an interim rule amending Regulation DD (Truth in Savings) to permit institutions to disclose an annual percentage yield (APY) equal to the contract interest rate for time accounts with maturities greater than one year that do not compound but require interest distributions at least annually. This interim rule does not apply to or affect institutions that permit but do not require (or that bar) interest distributions before maturity. This amendment resolves questions about the APY disclosure for these accounts during consideration of public comments on a related proposal published elsewhere in today's Federal Register.

EFFECTIVE DATE: January 18, 1995.

FOR FURTHER INFORMATION CONTACT: Jane Ahrens, Senior Attorney, Kyung Cho-Miller, or Obrea Otey Poindexter, Staff Attorneys, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, at (202) 452–3667 or 452–2412; for questions associated with the regulatory flexibility analysis, Gregory Elliehausen, Economist, Office of the Secretary, at (202) 452–2504; for the hearing impaired *only*, Dorothea Thompson, Telecommunications Device for the Deaf. at (202) 452–3544.

SUPPLEMENTARY INFORMATION:

I. Background

The Truth in Savings Act (12 U.S.C. 4301 et seq.) requires depository institutions to provide disclosures to

consumers about their deposit accounts. including an annual percentage yield (APY) on interest-bearing accounts calculated under a method prescribed by the Board. The APY is the primary uniform measurement for comparison shopping among deposit accounts. The law also contains rules about advertising, including the advertising of accounts at depository institutions offered to consumers by deposit brokers. The Board's Regulation DD (12 CFR part 230), which was adopted in September 1992 and became effective in June 1993, implements the act. (See 57 FR 43337, September 21, 1992, and 58 FR 15077, March 19, 1993.)

In adopting Regulation DD, the Board considered various approaches for calculating the APY, reflecting several competing interests and concerns. The current APY formula is simple and easy to use. It assumes that interest remains on deposit until maturity. This assumption produces an APY that has the effect of reflecting the time value of money for accounts that remain on deposit until maturity. It does not always reflect the time value of money when there are interest payments prior to maturity.

II. Proposals Affecting the APY

As deposit brokers began complying with the APY formula and Regulation DD's advertising rules, the Securities Industry Association (SIA) asked the Board to reconsider how the APY is calculated. The SIA objected to the fact that, for multi-year certificates of deposit (CDs) that are noncompounding but pay interest at least annually, the formula produces an APY that is less than the contract interest rate. Disclosure of an APY lower than the interest rate did not, according to the SIA, always allow for meaningful comparison shopping among deposit accounts. The SIA believed that the APY should at least equal the contract interest rate.

In December 1993, the Board published a proposal that would have factored into the APY calculation the specific time intervals for interest paid on the account—that is, the time value of money (58 FR 64190, December 6, 1993); an additional internal rate of return formula would have been added to the regulation. The proposal also offered an alternative limited change in the APY disclosure for multi-year noncompounding CDs; under this approach, institutions would disclose an APY equal to the contract interest rate if the CDs paid interest at least annually. The proposal was withdrawn in May 1994, based on considerations of